

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 1994**

May 6, 2020

**SUMMARY OF BILL:** Expands the tire pre-disposal fee on the sales of used tires.  
Expands the purposes for which the revenues from the program may be expended.

**ESTIMATED FISCAL IMPACT:**

**Increase State Revenue - \$323,800/Solid Waste Management Fund/  
FY20-21 and Subsequent Years**

**Increase Local Revenue - \$1,296,800/FY20-21 and Subsequent Years**

**Assumptions:**

- Pursuant to Tenn. Code Ann. § 67-4-1603(a), a \$1.35 per tire is imposed on each person making sales of tires.
- In FY18-19 new tire fees collected were approximately \$7,000,000.
- It is assumed that used tires are removed when new tires are purchased and that used tires have enough tread to be resold 25 percent of the time.
- It is therefore estimated that the recurring increase in fee revenue would be approximately \$1,750,000 (\$7,000,000 x 25%).
- Based on information provided by the Department of Revenue, approximately 74.1 percent, or \$1,296,750 (\$1,750,000 x 74.1%), will be allocated to local governments, 18.5 percent, or \$323,750 (\$1,750,000 x 18.5%), will be allocated to the Solid Waste Management Fund, and 7.4 percent, or \$129,500 (\$1,750,000 x 7.4%), will be retained by retailers.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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